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# ZONE OF CO-OPERATION PROPOSED FOR TIMOR GAP

The Minister for Foreign Affairs and Trade, Senator Gareth Evans, and the Minister for Resources, Senator Peter Cook, today announced and welcomed the agreement reached during talks between Australian and Indonesian officials on proposals for consideration by Governments to establish a Zone of Co-operation in the Timor Gap.

Senator Evans and Senator Cook said that the proposal to establish a Zone of Co-operation in the area between Timor and Northern Australia was the best possible means to ensure that both countries shared in the potential petroleum resources of the region until it became possible for a permanent seabed boundary to be delimited.

Under the proposed approach the Zone of Co-operation would comprise three component areas, namely Areas A, B and C as indicated in the attached sketch map.

Area A would be subject to a joint development regime, regulated by a Ministerial Council and a Joint Authority.

Area B would be subject to Australian laws covering petroleum exploration and development, while Area C would be subject to the relevant Indonesian legal regime, subject to the sharing of tax revenues in each of Areas B and C, and to a process of notification and consultation between the two Governments.

Senator Evans and Senator Cook said that they looked forward to early discussion between Ministers of the two Governments to confirm the proposals. Officials would then be authorised to proceed to the establishment of working groups to prepare a comprehensive agreement to be concluded by the two Governments.

Senator Evans and Senator Cook said that the establishment of a Zone of Co-operation in the Timor Gap would be a significant step in the development of closer relations between Australia and Indonesia.